

SOCIALIST STUDIES

No. 30

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**OFFICIAL JOURNAL OF
THE SOCIALIST PARTY
OF GREAT BRITAIN**

Communications to General Secretary.
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THE SOCIALIST PARTY OF GREAT BRITAIN
OBJECT

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

DECLARATION OF PRINCIPLES

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce, and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

ALL ENQUIRIES AND APPLICATIONS FOR MEMBERSHIP TO...
The Socialist Party of Great Britain,
71 Ashbourne Court, Woodside Park Road, London N12 8SB

WHY WE NEED SOCIALISM NOW

According to the United Nations there are over one billion unemployed workers throughout the world. Germany alone has 4.4 million unemployed. Raw resources are left unused. Food is destroyed or not grown. Factories lie idle. Goods are stockpiled. All because Capitalism cannot make enough profit.

Governments and social reforms have failed. So have the hundreds of charities. No government policy can stop crises, depressions and unemployment. No social reform can effectively deal with the hundreds of social problems caused by the profit motive. Charities cannot resolve the social effects of producing for profit because they cannot address the capitalist cause of these effects.

It is no good placing trust in the economists. They are all for capitalism. Their thinking is chained by prices and price movements, markets and market forces, buying and selling, money and profit.

At the same time, pressing social problems need to be resolved. *The Times* (8 April 1998) reported that 600,000 women world-wide, each year, needlessly die giving birth - one woman every minute. It would cost \$2 (£1.25) a day to provide the health-care which is available but can't be provided because there is no profit in providing it. The deaths will continue. Nothing, say the economists and politicians, must upset the markets and profit-making.

There are 800,000 million people throughout the world suffering acute hunger according to the charity Christian Aid. They suffer hunger because they do not have access to land, seed, tools, technology and education, all of which exist but are owned by a parasitic minority class of capitalists. Capitalists only invest if there is a profit to be made despite real human needs going unmet. Whether this is moral is irrelevant: this is capitalism, a competitive system, where capitalists have to make profits or go under.

Politicians and government ministers tell us that there is no alternative to this insane, irrational and anti-social capitalist system. They tell us we live in the best of all possible worlds. They would. For the capitalist class it is the best of all possible worlds.

They tell us that there is no alternative. This is, of course, a lie. There is an alternative. And that alternative is Socialism. It is a social system in which production would take place directly to meet human needs wherever they occurred. It is a social system which would provide the framework to solve the social problems we face today. And it is achievable once a majority come to understand capitalism cannot be run in the interests of all society.

A STRANGE WAY TO RUN AN ECONOMY

... the dealers ... those who bought and sold shares ... were indistinguishable from professional gamblers, since that is precisely what they were, backing their hunches about the value of enterprises of which they knew little and cared less. Like members of so many other professions they managed to persuade their clients that they had access to arcane mysteries, wholly inaccessible to the rest of humanity. Yet bogus as this claim may have been, it went unquestioned by their clients as long as they made money. Few, if any, ever stopped to reflect that the stockbroker's cut was both a game of mere chance and a strange way to run an economy.

In the Red, by Mark Tavener

SIR ISAIAH BERLIN AND THE QUESTION OF SOCIALISM

In his book **The Study of Ideas and Their History**, Sir Isaiah Berlin sets out to deal with the origin of the Socialist, Marxist and other political ideas.

By way of a testimonial, Mr Patrick Gardener, an academic colleague who wrote an introduction to the book, affirms that we can expect nothing but the truth from the pen of Isaiah Berlin. In fact, Berlin tells us himself that philosophers, of whom he was one, are the defenders of liberty and guardians of freedom (p.67). It was a great pity that such a promising start founded at the first obstacle - an account and definition of Socialism.

In giving a definition of Socialism he writes:

Socialism is a body of Western teaching and practice resting upon the belief that most social evils are due to unequal, or excessively unequal distribution of material resources, and that those evils can be cured only by the transference, gradual or immediate, total or partial, of the ownership of property and of the means of production, exchange and distribution from private to public control. (p.77)

This is not Socialism. It is a mixture of reformism based on some re-distribution of property and state control of industry; all of which, in varying forms, have featured in the programmes of Liberals, Tories and the Labour Party, the now defunct Communist Party, and the entire collection of Left Wing political parties.

Socialism is not simply a matter of re-distributing the earth's resources. It is a revolutionary movement for the abolition of wage labour and the capitalist ownership of society's means of living, the means of production and distribution, the land and the mineral wealth. It is the single aim of Socialism to establish a

new system of society based upon the principle of common ownership and democratic control of those resources. Essentially, the objective test of revolutionary Socialism is whether what is achieved will lead to a fundamental change in the existing social relations, i.e. abolition of wage labour, capital and production for profit.

When we bear in mind the amount of research Sir Isaiah Berlin undertook in order to reach his definition of Socialism we can only envy those fortunate academics who can engage in this meandering through history without any real purpose and without any regard to time or need of a positive conclusion.

In Sir Isaiah Berlin's case his study of Socialism began with the Old Testament and the Jews, and then the Christians in the New Testament; plus Plato, Winstanley, the Digger Movement, Voltaire, Babeuf, Saint Simon, Rousseau, Fourier and many others who are supposed to be the founders of Socialist theory. Added to this list are Lenin, Trotsky and Stalin who are also described as Socialists of Communists.

When Sir Isaiah says "*a great fillip to Socialist doctrine was given by the general loosening of the social and economic ties brought about by the (French) Revolution and the Napoleonic conquests and reforms*" (p 81), it is crystal clear that he is not talking about Socialism at all but about the development of capitalism and the sectional interests and antagonisms involved in the struggle for political power. The mass of historical references given in his book concerning the origins of Socialism are totally unrelated and irrelevant to Scientific Socialism. In fact what we have here is run of the mill commonplace descriptions of radical liberal capitalism, nationalism, Communist Party state capitalism and all shades of the political reform movement linked together under Sir Isaiah's *Socialist umbrella*.

It does not need any great amount of research to discover the origin of common ownership which is the basis of Socialism. For thousands of years mankind

lived under conditions based on common ownership in primitive communities. This, at the very least, indicates that the idea of common ownership is no fantasy nor alien to human experience.

Haxthausen discovered common ownership of land in Russia, Maurer proved it to be the social foundation from which all Teutonic races started in history, and by and by village communities were found or had been the primitive form of society everywhere from India to Ireland.

The inner organisation of the primitive communistic society was laid bare in its typical form by Morgan's ground-breaking discovery of the true nature of the gens and its relation to the tribe. As the evolution of society has proceeded to higher stages the material conditions for the establishment of Socialism have come into being. In the main these are the development of the productive forces with the creation of a wage working class and the absolute divorce of this class from the social means of production and distribution through the institution of private ownership; also the development of political institutions enabling social change to take place through the machinery of government.

All this is in place but the will for social change on the part of the workers is absent. The main reason Socialism is not at present a major political issue is because of the colossal amount of misinformation about its meaning. This is an unending process carried out by the entire press, radio and television media, and not least, by professional intellectuals of whom Sir Isaiah was one of the leading representatives. The muddle and confusion generated by these people cannot be underestimated.

Seemingly, critics of the harsher aspects of social life invariably land with their feet on the ground, as does Sir Isaiah - that is to say into the safe haven of capital's bosom.

Disembodied dialogues on the meaning of liberty or the concept of liberalism or

cultural pluralism are totally irrelevant to the problems facing the world's working class. Liberty in any meaningful sense can only be gained by the abolition of wage slavery and by the ending of the monopoly of private property ownership enjoyed by the few to the detriment of the many. Modern philosophy has no answer to this, preferring instead nebulous and distracting intellectual crossword puzzles. In the meantime, as Marx described:

The working class is as firmly riveted to capital as was Prometheus to the rock.

When researching the material for Socialism and Socialist theories, Berlin totally ignored the Socialist Party of Great Britain and its theory, although we are the only and oldest Socialist Party in Great Britain. Not a good recommendation for a seeker after the truth and a lover of liberty. As we were formed in 1904 and well known to a number of Berlin's own contemporaries, including Harold Laski and Richard Crossman, he could hardly have been unaware of our existence. Instead he chose to base his Socialist theory on the basis of the old SDF, Labour Party (in fact, he himself voted Labour), the Second International, the Communist Party, the Fabian Society and Russian state capitalism. It would be impossible to find a more worthless collection than these pseudo-socialists of the 19th and early 20th century.

The only positive thing which emerged from all this Tower of Babel was the formation of the Socialist Party of Great Britain in 1904. Had Sir Isaiah Berlin studied the attitude of the SPGB to contemporary society and its changing aspects, he would have gained a proper understanding of the Russian revolution, state capitalism and nationalisation, the Spanish civil war, the cause of unemployment, the causes of war, inflation, and the class struggle and trade unions. What is more, he would know what to do about capitalism, and here we come to the basic differences between a genuine Socialist Party and a sham counterfeit.

We ask the workers to think the unthinkable. Think of a life without wages.

without rent and without mortgages, without insecurity in old age, or unemployment. Is it possible?

This is the practical question. And it demands an answer as a matter of urgency. Sir Isaiah and the army of idealists, utopians, liberals or moralists are little help in this respect.

This concludes the second part of a critical study of Isaiah Berlin, the first part of which can be found in **Socialist Studies No 28**.

WHO WILL TEACH THE TEACHERS?

Whatever happens to the politics (in Russia), there will be strong economic growth based on private enterprise. Russia's economy which is now the size of California's will grow faster over the next 20 years than that of most O.E.C.D. countries and probably faster than most of the emerging markets (outside the Far East). Foreigners will reap good returns. Those who move fast will gain a special advantage from being first - and from the current undervaluation of Russian assets. Westerners will make good money.

The Coming Russian Boom, published 1997,

by Professor Layard of the London School of Economics. He is also an adviser to Tony Blair.

(According to the **Sunday Times**, 8 November 1998: *The Russian Crisis has meant tens of thousands being made redundant, workers selling blood for food, unpaid wages and salaries and the possibility of starvation for millions this winter.*)

A CLASH OF INTERESTS

At the moment the newspapers are a battle-ground for those who want to see the implementation of a single European currency and those who want to retain the present currency system. All shades of capitalist opinion have formed themselves into well-insulated factions, each with their own politicians, professors of economics, journalists, pamphlets, speakers and political abuse to hurl at their opponents.

The Times (19 June 1998) recently had a letters page full of correspondence for and against the single currency.

C Speight, an economist, claimed that a single currency would lead to a loss of jobs. C Woodard, Director of the European Movement, claimed that British capitalism's competitive edge would be enhanced by a single currency. Michael Ivens, consultant, Aims of Industry, warned that British capitalists should be against a corporatist centralised, bureaucratic Europe. While Bill Cash, Conservative Backbench Committee on European Affairs and member of The European Foundation, did not want British capitalism's oil and gold reserves threatened by a single currency, which he thought would lead to a trade deficit.

For all workers the arguments for and against a single European currency are of no consequence. They are distinct and separate from the day-to-day struggle workers are faced with as wage and salary earners forced as a class to seek employment through the labour market.

The main reason for the conflict over the proposed European economic currency is not economic but political. It is a struggle over who should control the issue of notes and make monetary policy: Parliament or Brussels. It is about the squabble between nation states within the European Community to push their political agenda at the expense of other countries.

However, the various factions want and need to gain the support of the working class. Workers form a majority class in society and represent a large and potentially powerful voting force. Their support legitimises a faction's claim to be speaking for 'Britain'. This is not something new. In the early 19th century different factions opposing or advocating the Corn Laws all tried to gain support from the workers.

Yet the factions know workers are not interested in the issues affecting employers. The fact, for example, that export capitalists might benefit from a single European currency will not in itself gather much popular support. Therefore, in order to gain the support of non-socialist workers, both sides hone in on the question of wages and employment, claiming that the issue of a single currency is of some concern for workers.

The pro-Euro faction claims that a single currency would mean increased wages and higher levels of employment. Not to join, they assert, would mean unemployment and lower wages.

The anti-Euro faction claims that a single currency would create low wages and higher unemployment. By not joining, they claim, there would be more jobs and higher wages.

Who is right?

The answer is that neither faction is right. With questions about unemployment and wages neither faction is to be believed or taken seriously. The levels of unemployment and wages are determined by trade conditions and the class struggle, not by the type of currency in operation. Workers have their own class interests to pursue and one of these is to avoid being dragged into the periodic squabbles of the capitalist class and its political agents.

So, the socialist response to the Tweedledum-Tweedledee politics of pro- and anti- single currency factions is "*a plague on both their houses*". Both factions offer the working class nothing more than the retention of the same system of class exploitation and slavery.

Socialists are aware of why workers have a concern over the question of employment and higher wages. Owning no property except their ability to work, workers have to find employment on the labour market. Having no direct access to goods and services, workers have to secure the highest wage and salary possible in order to exist.

However, what workers have to understand about the class position in which they find themselves is to think and act in their own class interests. This means going beyond accepting employment and the wages system. It means consciously and politically organising to abolish the labour market, employment, the buying and selling of labour power and the capital-labour relationship. This is something neither factions in the EMU debate want workers to consider.

And what it means for workers to act in their own interests is also to ignore the seductive sirens of competing capitalist interests. Like Odysseus's crew, workers should block their ears with wax. Instead of constantly worrying about wages and unemployment, workers should ask themselves why they are a propertyless class and why do they not have access to what they need to live their lives to the full!

The sirens concerned about the merits or otherwise of the single currency do not exist to answer these questions. In classical mythology the sirens lured sailors to their death by their singing, then fed off the corpses. An apt analogy for what awaits those workers who misguidedly follow the various currency factions

We say that the problems workers face flow from the capital-labour relationship and not from the form of currency in operation. Capitalism with or without a

single currency would still be prone to periodic economic crises and depressions. The capitalist class and its political agents would still be trying to force workers' wages down to improve their profits. And workers would still be an exploited class of wage slaves.

What workers should be doing is politically cutting the tie that binds them to the capitalist class. This means abolishing capitalism and establishing Socialism. It would mean the abolition of the wages system, whether it was being paid in Pounds, Francs or Ecus.

PARTY NEWS

The following is a brief account of some of our activities over the past year. Apart from the special occasions, there is the normal work involved in keeping the Party operating. Members who write the articles and pamphlets; getting them typeset for the printer. Collating and stapling thousands of sheets of paper from the printer. Answering letters sent in response to our adverts, although replies have been fewer than in previous years. Generally the political scene has gone very quiet. Workers still seem to be in a stupor arising from the massive majority of the Labour government, but it is slowly trickling through that capitalism has a nasty habit of throwing up problems that are even beyond the control of Mr. Blair.

We have published 4 issues of Socialist Studies and 2 pamphlets:- Marxism in the 21st Century and The Communist Manifesto in the 21st Century. These together with our other 12 pamphlets give us a wide range of literature. The important thing is to sell our literature, and in this respect we have had a good year.

Members have been able to cover a number of Conferences of Trade Unions and Political parties in the following towns - Brighton (2); Worthing; Southampton; Blackpool; (3); Bournemouth (2). Blackpool must be worthy of mention, both for its foul weather and the strict security measures in place for the T.U.C. and Labour Party Conferences. We were able to distribute hundreds of specially printed leaflets and copies of our journal. On most occasions we were able to establish a well stocked literature stand, and sales of our pamphlets amounted to £254.

(Continued on page 26)

IS THERE A THIRD WAY?

There are those who think that the Third Way project was first launched by Tony Blair just to get his name in the history books. Perish the thought. The Third Way was announced by Clinton in 1997.

We have moved past the sterile debate between those who say government is the enemy and those who say government is the answer. My fellow Americans, we have found a third way.

(*New Statesman*, 20 February 1998)

Blair soon found this undefined Third Way a phrase which could usefully bring together some of the ideas, mostly borrowed from others, which had helped him to come to power, a fig leaf to cover his total lack of any ideology or political programme.

In the years leading up to the 1997 election, his speeches had been larded with phrases like "*stakeholder politics*", "*one-nation politics*", "*social cohesion*" and "*government in partnership with the people*". He argued for a "*partnership between government and industry, between employer and employee, and between public and private sector*" (*Labour Party Conference*, 4 October 1994).

To define New Labour's Third Way was not easy. For months academics political advisers, on both sides of the Atlantic, were engaged in headscratching. They even indulged in a bit of "*digital governance*" - virtual policy-making on an Internet web-site, with a closed list, where all the "*postings*" - contributions - were carefully vetted - censored - by the "*moderators*" (*New Statesman*, 20 February 1998).

Some of this latterday search for the Holy Grail was leaked, week after boring week, into the columns of the *New Statesman*. The final accolade was a Downing Street seminar, hosted by Blair himself. There was even talk of a

"Third Way International", as Third Way-ology spread - like a virus, from the USA and Britain to Europe.

Attempting a Definition

It seems that the Third Way can be taken to mean almost anything. Julian Le Grand (London School of Economics Professor of Social Policy) interprets it as being about the values of community, opportunity, responsibility and accountability (*New Statesman*, 6 March 1998). Le Grand echoes Clinton - "*Government's responsibility is to create more opportunity. The people's responsibility is to make the most of it*" (1992 Manifesto - *New Statesman*, 27 March 1998).

Equality of opportunity, Le Grand argues, does not mean equality of outcome: "*if the situations in which individuals find themselves are the result of their own free choices then, however unequal they may be, there is no injustice*" (*New Statesman*, 6 March 1998). So the Third Way need not entail policies of redistribution. "*The rich man in his castle, the poor man at his gate*" - that is OK, provided this is the result of their own free choices. Unfortunately, capitalism does not allow most of us a free choice. After all, which of us - given a free choice - would volunteer for a lifetime of wage-slave drudgery?

Like free choice, 'community' is an ideologically loaded term. How can there be 'community', i.e. common identity and a community of interests, when society is divided into classes with conflicting interests?

Arguments about equality have haunted Labour for decades. Now, it seems, a corner has been turned. Defending the Third Way against some social democrat opponents within New Labour who argued for greater equality (Buckby and Lawson, *New Statesman*, 13 March 1998). Collins and Corfield, founders of the Open Society, tell the shocked readers that the old idea of tax and spend to procure greater equality "*is dead ... The whole point of New Labour is that it*

has given up on this type of thinking ... Nobody this side of lunacy really believes in equality of outcome". In terms of policy, this meant that:

"If, say, ten years of Labour government made an absolute difference to the living standards of this country's poorest and allowed them to feel more secure, more at home and less put upon, it would have succeeded, irrespective of what happened to relative inequality".

New Statesman, 20 March 1998

This is utter nonsense. Poverty is always relative; if the poorest are a bit better off (and there is no indication that Blair's government is moving in that direction - on the contrary), they remain the poorest, the have-nots. The cause of their poverty remains, ie the class system and production for profit.

This Third Way virus is spreading. It pops up everywhere. A speech by Kofi Annan, Secretary-General of the United Nations, echoes the same nonsense

Thriving markets and human security go hand in hand ... Let us choose to unite the power of markets with the authority of universal ideals, and to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged.

Speech, 31 January 1998; Economist 28 March 1998)

The man apparently means well but he is asking the impossible. Markets and private entrepreneurship are not in the business of satisfying people's needs. Their business is to make profits and accumulate capital - nothing to do with "universal ideals".

Similarly Anita Roddick, owner of the Body Shop, argues in the same vein, that a business should be like a community and be built on trust.

When I think of where the future of successful business lies, I imagine companies as communities ... as inter-dependent human entities ... all stakeholders - customers, employees, business partners, investors and the wider community - (are) groups with rights and obligations to the firm. Loyalty is the principal source of efficiency.

And the result is a "win-win" situation: "why should anyone lose?" (New Statesman, 3 April 1998)

Someone should explain to Roddick that, seen from her employees' viewpoint, things are very different. True, a capitalist, while business is thriving, is certainly in a "win-win" situation. Capital is employed, products - commodities - produced and sold, overheads paid, stocks replaced, wage-bills paid, and still, mysteriously, there is a "win-win" surplus. And the Roddicks of this world have the luxury of choosing whether to use this surplus as accumulated capital, to expand their business, or to pay themselves dividends and pocket their profits, or both.

But the "win-win" situation for capitalists means a "lose-lose" situation for the working class. Each year, month, week, day or hour that we work, we are contributing - one way or another - to the pile of surplus value, our unpaid labour, from which they derive their capital or take their profits. This is the only way the system can work, and that is why all this Third Way talk of interdependence, partnership, community, etc is empty, misleading claptrap.

Roddick and other capitalists preach to us of loyalty and trust. But, when business is slack, workers are told to tighten their belts, work shorter shifts, take lower pay and accept redundancy. Companies, to protect their profit margins, close down their less profitable plants or branches, and pursue policies of 'downsizing'. And they have the brass neck to preach to us of loyalty and trust! How much loyalty do they have to us when they declare us 'redundant', condemning us to a marginal existence of 'disadvantaged' life on the dole?

The Downing Street Seminar

At this gathering of pundits, professors and political journalists, it was no surprise to find that Anthony Giddens, director of the London School of Economics and the main speaker at the seminar, defined the Third Way primarily in terms of its rejection of class politics: the left-right division in politics was no longer relevant due to "*the rapid shrinking of the working class*". The Third Way "*rejects class politics, seeking a cross-class base of support*" (*New Statesman*, 1 May 1998).

Since the eminent Professor Giddens imagines the working class has been "*rapidly shrinking*", it is clear that he understands class only in the superficial, sociological sense, one where life-style takes priority over the real-life issues of economics and power.

The Socialist view of class is very clear. It is based on economic relationships. The working class exists as a class defined by the fact that we do not own or control the means of producing or distributing wealth, and consequently, in order to live, must sell our labour-power.

Some workers are paid in wages, some in salaries, others by commission or other arrangements. Whether the work is 'manual' or 'non-manual', or even 'professional', is neither here nor there. Neither is life-style relevant: today's manual workers have a life-style - including home ownership, cars and holidays abroad - which, not long ago, were the privilege of the professional and managerial elite.

Evidently Giddens, a sociologist, is using the term class in a different sense from ours. As Raymond Williams noted, class can be used in our sense as "*an expression of economic relationships*" but also as "*an expression of relative social position and thus of social distinction*".

"It is obvious that a terminology of basic economic relationships (as between employers and employed, or propertied and propertyless) will be found too crude and general for the quite different purpose of precise descriptive grouping" (Keywords, Fontana, 1976).

It is in the latter sense that advertising agencies and consequently market researchers and opinion pollsters operate with a set of some 5-6 'occupational groups'. The figures do not support the claim that the working class is *"rapidly shrinking"*. Using government statistics, the Market Research Society states that just under 45% of households are classified as manual workers, skilled or unskilled, and another 13% are households dependent on state benefits, including many retired or unemployed manual workers. Together these groups make up 57% of the population. If you add in those in white-collar jobs - an ever-growing number of secretarial and computer workers, and others in the 'service sector' - about 26% of the population (excluding those in management), you get a total of at least 83% of the population being 'working class' in the sense of having to sell their labour power in order to live (**Occupational Groupings**, the Market Research Society, 1991 edition).

Giddens' attempt to give a spurious legitimacy to the idea of a new sort of politics - *"with a cross-class base of support"* - fails the acid test. His assumptions are wrong. The working class is not *"rapidly shrinking"*. It still constitutes the overwhelming majority of the population, if defined in objective terms, ie in relation to the ownership or non-ownership of capital. Only 6% of households have 'rent, dividends, interest' as their main source of income, exactly the same percentage in 1994 as in 1971 (**Social Trends**, 1996 edition, Central Statistical Office). It follows that the overwhelming majority of the population live in households whose main source of income is some form of earnings, usually wages or salaries.

All the mainstream political parties have, for decades, operated on the basis of *"a cross-class base of support"*. This is not a new idea, just a mistaken one.

'Mutual Dependence'?

The Downing Street seminar to explain what the Third Way was all about seems to have baffled some. Drowning men clutch at straws. Political journalist, Peter Kellner, unwilling to confess to being confused by the mish-mash of secondhand ideas cobbled together and presented as a 'Third Way' - a Third Way to what? - went home and consulted a dictionary. He then announced that what the Third Way all boiled down to was simply the, old Labour, value of 'mutualism'.

The doctrine that individual and collective well-being is attainable only by mutual dependence. (Evening Standard, 11 May 1998)

This takes us nowhere. Its very vagueness is its main asset for Blair's government, elected effectively with a blank cheque. From this doctrine you could derive any sort of policy. It is a philosophy that Nye Bevan would have subscribed to, so you could use it to argue for a full-blown 'Welfare State'. Likewise, the "*you scratch my back, I'll rub yours*" principle is the guiding principle of corrupt elites world-wide, not to mention the Mafia.

For capitalists like Anita Roddick, and for politicians who claim misleadingly that there are "common interests between labour and management" (Felix Rohatyn, US Ambassador to France, *The Independent*, 9 July 1998), this idea of 'mutualism' is a godsend.

A New Ideology?

The Third Way seems a fine example of what Orwell meant when he wrote that "*political language ... is designed to make lies sound truthful and murder respectable, and to give an appearance of solidity to pure wind*" (*Politics and the English Language*, Collected Essays, Vol 4, Penguin - p170).

The Third Way pundits claim that it is not an ideology. Not so. Indeed, it corresponds remarkably well with what 'ideology' is as described by Marx and Engels.

*... in all ideology men and their circumstances appear upside down ...
(German Ideology)*

Ideology is a process accomplished by the so-called thinker consciously indeed but with false consciousness. (Engels, letter to Mehring, 1893)

The state presents itself to us as the first ideological power over mankind ... once the state has become an independent power in regard to society it produced a new ideology. And in this ideology (as interpreted by professional politicians, theorists of public law and jurists of private law) the connection between politics and economics is lost for good. (Engels, Ludwig Feuerbach)

It is obvious that this Third Way mish-mash of borrowings, cobbled together by policy think-tanks, professors of sociology and policy 'wonks', is an ideology in the worst sense of the word. It bears no relation to the real world of class exploitation and the real class conflict between Capital and Labour, employers and employees, between those who live off and are enriched by the surplus they derive from our unpaid labour, and the majority, those who must sell our labour-power, on their terms, in order to live.

Class struggle exists, like it or not. It can only be got rid of by ending the class system, by establishing a society based on the shared ownership of the means of producing and distributing wealth. A real stakeholder society can only come into being on this basis. To pretend otherwise is brazen deception.

CAPITALISM IN CRISIS

If you pick up a newspaper you cannot fail to notice the word crisis being used with increasing frequency. In 1996 Japan was in crisis. Then it was the turn of the so-called Tiger economies in South East Asia. Now it is the turn of Russia.

The **Oxford English Dictionary** gives a crisp and sharp definition of crisis. It describes crisis as a "turning point", a time of danger "*in politics and commerce*".

During the past 150 years there have been many crises and depressions. They have varied in depth and duration but have had some features in common.

In the period of recovery from depression sales, production, profits and wages increase and unemployment falls. This phase of seemingly stable "*prosperity*" is suddenly interrupted by a crisis showing itself as a fall in sales in some industries. Unemployment begins to rise and production begins to fall. Profits drop sharply.

Depression sets in, production continues to fall and unemployment climbs to peak levels. The total purchasing power of the working class falls, not so much because real weekly wages and salaries fall, but because of the big fall in the number of workers in work.

The most valid and reasonable explanation of crises comes from Karl Marx. In **Capital**, Volume 1, Marx wrote of the trade cycle:

The life of modern industry becomes a series of periods of moderate activity, prosperity, over-production, crisis and stagnation ...

(Chapter XV, Section 6 - Kerr edn.)

There is, then, no such thing as a permanent crisis and nor do crises lead to the

collapse of capitalism. A crisis might lead to severe hardship and political chaos. It might lead to an increase in socialist awareness or it might lead to fascism. What is certain, though, is that crises will last as long as capitalism lasts, which means until such time as workers take conscious and political action to replace production for profit with socialism.

Crises and the Necessity of Socialism

With every period of good trade, politicians and economists claim that crises are a thing of the past. Previous crises are written off as aberrations caused by either excessive state spending, or oil price increases, or war, or inflation, or high taxation, or the mis-judgement of bankers or politicians, or too much credit, or corruption and crime. No crisis - and there have been dozens the world over since the early 19th century - is attributed to why it really occurs, as a result of the anarchy of capitalist production and exchange.

Politicians and economists do not like crises. Crises point to a failure of capitalism to regulate production smoothly. They show academic economists and their theories to be futile. And they shows politicians unable to control the economy. Capitalism is shown to be unstable, irrational and wasteful.

It was Marx who showed crises are inherent within capitalist production. Marx emphasised the necessity of crises to temporarily resolve the contradictions and conflicts within commodity production and exchange. Crises highlight the failure of capitalism to meet the needs of all society. Crises compel the forces of production back into the narrow restraints imposed upon them by private property ownership and the profit motive.

Crises highlight the necessity of socialism for a very good reason. The crisis leads to a depression. And in a depression all the absurdities of capitalism come into play. There is the destruction of goods, unemployment, unmet human needs, idle machinery, unused resources and stockpiles of products. Crises

provide a powerful refutation of capitalism's claims to run smoothly in the interest of all society.

Take, as an example, unemployment. Worldwide unemployment is at record levels and is due to rise sharply as a result of the global economic crisis. The International Labour Office states that measured unemployment - at 150 million - has risen by 10 million as a result of the Asian crisis and is due to increase further. In addition, the ILO calculates in its annual report that between 750 million and 900 million are under-employed. And the Russian crisis will have increased these figures still higher. Already, thousands of workers in Russia are being made unemployed (*Sunday Times*, 20 September 1998). This labour could be used to meet the needs of all society but it is unprofitable for employers to exploit the unemployed. With unemployment we have a graphic example of the forces of production being held back by the profit motive of commodity production and exchange.

The Anarchy of Commodity Production

Crises are a necessary event in the trade cycle. For Marx, a crisis is merely a destructive point in the trade cycle, an expression of the contradictions and conflicts to be found in capitalist production.

The possibility of crisis in capitalism is announced by Marx right at the beginning of *Capital*. The commodity exchange involves two different acts, the sale of a commodity and the purchase of a commodity. The seller receives money in exchange for the commodity, "but no one is obliged to purchase because he has sold".

In *Theories of Surplus Value*, Marx drives this point home:

Crises arise from the impossibility to sell. The difficulty of transforming the commodity - the particular product of individual labour - into its

Page 9

opposite, money, ie abstract general social labour, lies in the fact that money is not the particular product of individual labour, and that the person who has effected a sale, who therefore has a commodity in the form of money is compelled to buy again at once, to transform the money again into a particular product of individual labour (p509).

Capitalism is not self-regulating. The occurrence of crises demonstrates the anarchy of commodity production. Crises occur because of the spontaneous and unplanned process of capitalism whose sole aim is profit and capital accumulation.

The Symptoms of Crises

If the cause of crises is inherent within capitalist production and exchange it is the symptoms of crises which are superficially reported in the media. **The Mail on Sunday**, for example, believes that crises can be spotted by the decreasing length of women's dresses (22 September 1998). Well, in Marx's days women's dresses trailed about their feet but there were still crises. Unlike **The Mail on Sunday**, Marx's comments on the symptoms of crises were more telling:

... definite ... price relations govern the process of reproduction, so that the latter is halted and thrown into confusion by a general drop in prices. This confusion and stagnation paralyses the function of money as a medium of payment, whose development is geared to the development of capital and is based on those presupposed price relations. The chain of payment obligations due at specific dates is broken in a hundred places. The confusion is augmented by the attendant collapse of the credit system, which develops simultaneously with capital, and leads to violent and acute crises, to sudden and forcible depreciations, to the actual stagnation and disruption of the process of reproduction, and thus to the real falling off in reproduction.

Capital Volume III, Chap XV, Section III

This is in the third volume of *Capital* where Marx's developed, but unfinished, considerations on crises are to be found.

It is generally regarded that Marx says little about credit, banking and investment in relation to crises. This is mistaken.

Marx set out to

Locate and describe the concrete forms which grow out of the movements of capital as a whole... The various forms of capital... approach step by step the form which they assume on the surface of society, in the action of different capitals upon one another, in competition, and in the ordinary consciousness of the agents of production themselves.

Capital, Vol. III, Chap. I

It is the ordinary consciousness which sees crises linked to the gambling on stock markets, or to corrupt politicians and gangsters, or to the length of women's dresses. Marx's own scientific view leads him to conclude:

what appears as a crisis on the money-market is in reality an expression of abnormal conditions in the very process of production and reproduction

Capital Volume II, Chap XVI

It is to the anomalies in the production and reproduction process of Japan, South East Asia and Russia that the crises in banking, the fall of shares and currencies and the financial backlash into the West has to be understood. Marx was well aware of the swindlers and hustlers on the stock exchange, the embezzlers and crooks in finance and production in his own life-time to give them due consideration and discounted them as having any undue bearing on the cause of crises.

We are back again at the reality of capitalist production and exchange, and that

reality dictates that there is a constant possibility of crises inherent in the separation of purchase and sale and the development of money as a means of payment

Marx simplified the issue a bit by supposing that

"the whole of society is composed only of industrial capitalists and wage-workers" also by disregarding *"price fluctuations ... which must always call forth general stoppages of a transient nature"*, and *"the sham transactions and speculations, which the credit system favours"*. He then argued that, in that case ... *"a crisis could only be explained as the result of a disproportion in various branches of the economy, and as a result of a disproportion between the consumption of the capitalists and their accumulation ... But as matters stand, the replacement of the capital invested in production depends largely upon the consuming power of the non-producing classes, while the consuming power of the workers is limited partly by the laws of wages, partly by the fact that they are used only as long as they can be profitably employed by the capitalist class"*

Capital, Vol III, Chap XXX, pp 483-484

And Marx concludes:

The ultimate reason for all real crises always remains the poverty and restricted consumption of the masses as opposed to the drive of capitalist production to develop the productive forces as though only the absolute consuming power of society constituted their limit.

Capital Volume III, p472-3

We are confronted, therefore, with the central contradiction of capitalist society. On the one hand we have the forces of production including social labour, wanting to develop without restriction but having to be periodically restrained by the social relations of production flowing from the capital-labour relationship

and the anti-social drive for profit and capital accumulation. Socialism is the necessary consequence in the resolution of this contradiction: the common ownership and democratic control of the means of production and distribution by all of society.

(Quotations from **Capital** are from the Lawrence and Wishart edition)

PARTY NEWS (continued from page 11)

Two other venues deserve mention. The May Day Rally in Finsbury Park, London, and the Tolpuddle Martyrs demonstration in Dorset. At both places we had well decorated stands, a good supply of leaflets and journals, and many interesting conversations with a receptive crowd. Sales of political books and our pamphlets came to £168.

We have also managed a number of good meetings in Hyde Park. Although we are not allowed to sell literature in the Park, a number of our pamphlets and journals found their way into the hands of our audience. Our pamphlet - Women and Socialism has sold very well, and it is now into its third reprint. Our 7th Summer School held in June was well attended and enabled members and friends from far and wide to get together. Two excellent lectures and a good buffet lunch all added up to a most enjoyable day. We have also been able to hold 10 lectures during the year which has been a bit of a strain on our limited speaking strength.

We should like to express our appreciation for the support you have given us over the months; to our many sympathisers in particular, why not consider joining us. We can use your talents.

LATE NEWS. Selling literature is not just a summer occupation. At the last conference of the year in Brighton, 3 members were able to cover the conference of the Public and Commercial Services Union held in November. The weather was mixed, but sales amounted to £79.30 and £5.50 donations. 14 copies of our new pamphlet - The Communist Manifesto, and 114 copies of Women and Socialism were sold, amongst others.

POLITICAL DISHONESTY AND COWARDICE

In 1936 T A Jackson, a former member of the Socialist Party of Great Britain, published a book on behalf of the Communist Party entitled **Dialectics**. In the book Mr Jackson made several vicious swipes at the SPGB but without once mentioning the Party. It was the policy of the CPGB to pretend we did not exist.

The political dishonesty and cowardice has been transmitted down from one generation of the capitalist Left to the next. We are attacked but not named. More often than not, we are written out of working class history altogether.

More recently, Stephen Yeo, a historian at Sussex University, in an essay published in **Socialism and the Intelligentsia 1880-1914** (ed C Levy, Routledge and Kegan Paul, 1987), wrote of the period 1880-1914 as though the SPGB did not exist. This, in spite of the fact that his essay was entitled Notes on Three Socialism ... which set out to give an exhaustive account of all trends of the time which claimed to be socialist. And that it was just in this very period, 1880-1914, that the founders of the SPGB broke away from the Social Democratic Federation and in 1904 established the only genuine socialist party this century.

What detached and learned scholar would omit the SPGB from their research? Mr Yeo's mentor, Professor C Hill, a student of the 17th century English Revolution, has researched and written about every conceivable group in that period from the Anabaptists to the Ranters in order to give an all-round perspective to the politics of the period. Why hasn't Mr Yeo applied the same academic standards to the period he is writing about?

Another historian, Professor C Waters also omitted to mention the SPGB in the course of his study of the period. Professor Waters wrote a book, **British Socialism and the Politics of Popular Culture 1884-1914** (Stanford University

Press 1990), without once mentioning the SPGB. Every other political party is mentioned, the Social Democratic Federation, the Socialist League, the Fabians, the ILP and the Labour Party. In the book's bibliography, under Labour and Socialist periodicals, there are 47 entries. Nowhere does he cite the **Socialist Standard** and other Party publications for the period 1904 to 1913. The periodical is not difficult to obtain. After all, copies of the journal exist in the British Museum and at the Marx Memorial Library. So, how is it that Professor Waters passed over key primary source material?

One of the worst omissions is to be found in Professor K D Brown's book, **Labour and Unemployment 1900-1914** (David and Charles 1971). Professor Brown gives a whole chapter to the views of the SDF on unemployment but totally ignores the comments made by the SPGB at the time.

The earliest statement made by the Party on the question of unemployment was in the November 1904 Editorial in **The Socialist Standard**. In the **Party Manifesto** issued in 1905 further views were expressed on economic depressions and unemployment. And a third statement was issued in 1908 - a 2500 word leaflet on **Unemployment: The Socialist View**. This was a more fully argued statement.

If academics write the SPGB out of history, political parties of the Left, like the Socialist Workers Party, carry on the dishonest Jacksonian tradition of attacking the SPGB in print but not having the courage to name us for political reasons decided upon by the SWP's leadership.

In their pamphlet, **A Question of Class**, the SWP censured:

... those organisations who believe it is enough to proclaim themselves the 'workers' party for them to become it, and who think that adoption of the 'correct programme' will eventually lead the working class ... to their banner. Most of such organisations have found themselves incapable of

moving beyond the size and status of a sect, and far from their politics being proved correct when the struggle rises, have found themselves on the sidelines when workers do move (p 87-88).

Clearly this is an allusion to the SPGB. In response we have this to say to the SWP, perhaps one of the most opportunist and anti-working class parties workers have to endure.

The SPGB is rooted in the working class. The party was formed by members of the working class and continues to have a working class membership. Unlike the SWP it is not a party led by professional revolutionaries, academics and students.

The SPGB has a history of organising the debate, discussion and propagation of Socialist ideas inside the working class who have, more's the pity, remained entrenched in their support for capitalism. The Party has built up political experience of the class struggle. We are still attracting more members. We have a historical awareness of the mistakes the working class has made in the past and still is making today. We are aware of ruling class ideas and how they can be refuted. We have an exemplary record of extending and clarifying the materialist conception of history, of socialist ideas, of Marxian economics and working class politics.

The fundamental error the SWP makes is to believe the Worker Councils (Soviets) in the Russia of 1905 and 1917 were a new form of working class organisation and political process applicable to the conditions of the more developed capitalist countries. It is political infantilism to believe these two events have any practical bearing on Socialist politics and organisation today. The working class has the vote and this gives workers the ability to gain control of the machinery of government and establish Socialism through parliamentary action.

What separates the SPGB from the SWP is our insistence that, before Socialism is possible, workers first have to build up a Socialist majority who understand and actively desire Socialism. The SWP, on the other hand, want to take control of a non-Socialist mass of discontented workers holding a wide variety of non-socialist beliefs and ideas. It is a recipe for disaster. This would lead to either a bloodbath or the replacing of one ruling class by another. In no circumstances would such a chaotic fiasco lead to Socialism.

But, then, the SWP is not interested in establishing Socialism. In its pamphlet **The Future Socialist Society**, it asserts that the Workers' State will have wages (p9), trade unions (p13) and a coercive state machinery (p13) - in fact, all the features of a capitalist society. It is only the SPGB which is politically organised to establish common ownership and democratic control of the means of production and distribution by all of society.

Incidentally, can anyone picture the SWP leadership - Tony Cliff, John Molyneux, Lindsey German, Paul Foot, Alex Callinicos, and Chris Bambery - leading a frontal assault against a position of professional soldiers? We think not. If their daft and childish uprising ever did occur and was successful, they would be safe and secure on some academic campus locked in a power struggle to see who would be the new Lenin, Trotsky or Stalin.

The Socialist Party of Great Britain is an open and democratic organisation. We have no fear in naming our opponents. We have no fear in debating with the political enemies of the working class whether alleged labour or avowedly capitalist. Following Marx and Engels "we ... disdain to conceal (our) views and aims" (**The Communist Manifesto**).

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NEW FRIENDS

Following reports that the Lib-Dems are now more Left-wing than Labour, who should appear with a table loaded with pamphlets at the conference entrance than some old comrades from the Marxist inspired Socialist Party of Great Britain.

Daily Telegraph, 24 September 1998.

At this conference we sold a number of pamphlets in a total sum of £20.